



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
PO Box 47852•Olympia, Washington 98504-7852

July 24, 2019

CERTIFIED MAIL #7016 0190 0000 3454 9382

Hana Attar, Esquire
Signature Healthcare Services, LLC
1450 West Long Lake Road, #340
Troy, Michigan 48098

RE: Certificate of Need Application #15-15A

Dear Ms. Attar:

Enclosed is Certificate of Need #1795 issued to Signature Healthcare Services, LLC approving the establishment of a 105 bed psychiatric hospital in Pierce County within Washington State. This Certificate of Need is issued consistent with the Settlement Agreement in Signature Healthcare Services, LLC v. Washington State Department of Health, Pierce County Superior Court, No. 17-2-07040-3.

The certificate is not an approval for any other local, federal, or state statutes, rules, or regulations. Such a project may also need Department of Health approval for a construction plan and facility licensing or certification, as well as other federal or local jurisdiction permits.

The Certificate of Need is valid for two years. The project must begin during this time. If there is substantial and continuing progress, we may extend the certificate for one six month period. For an extension, you must submit an extension request at least 120 days before the expiration. You cannot begin a project after the expiration date.

We monitor projects until completed or the expiration date, whichever occurs last. We do this with quarterly progress reports. At least 30 days before the report's due date, you will receive a form to complete and return.

If you have any questions, please contact the Certificate of Need Program at (360) 236-2955.

Sincerely,

Nancy Tyson, Executive Director
Health Facilities and Certificate of Need
Community Health Systems

Enclosure



This Certificate is granted under the authority of RCW 70.38. Issuance of this Certificate does not constitute approval under any other local, federal or state statute, implementing rules and regulations. Examples where additional approval may be necessary include, but are not limited to, construction plan approval through the Construction Review Unit of the Department of Health, facility licensing/certification through the Department of Social and Health Services or Department of Health, and other federal or local jurisdiction permits.

Certificate of Need #1795 is issued to:
Legal Name of Applicant: Signature Healthcare Services, LLC
Address of Applicant: 1450 West Long Lake Road, #340, Troy Michigan 48098
Type of Service: Psychiatric Hospital
Facility Name: Tacoma Behavioral Healthcare Hospital
Facility Address: 1915 South Proctor Street, Tacoma Washington 98406

ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S RECORD AND EVALUATION DATED JANUARY 15, 2016 [CN APP #15-15A] AND PURSUANT TO A SETTLEMENT AGREEMENT IN SIGNATURE HEALTHCARE SERVICES, LLC V. WASHINGTON STATE DEPARTMENT OF HEALTH, PIERCE COUNTY SUPERIOR COURT, NO. 17-2-07040-3 SIGNED MARCH 5, 2018

Project Description:

This certificate approves the construction of a 105-bed psychiatric hospital. Services that will be provided include crisis stabilization, inpatient, outpatient, and partial hospitalization for patients. The number of approved beds is summarized below.

	Number of Beds
Beds dedicated for patients ages 5 to 12 (child/adolescent)	15
Beds dedicated to patients age 18 and older (adult)	90
Total	105

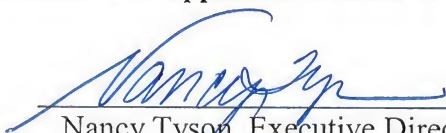
Service Area
Pierce County

Conditions
Conditions Identified on Page Two

Approved Capital Expenditure:
The approved capital expenditure for this project is \$42,565,368.

This Certificate authorizes commencement of the project from July 24, 2019, to July 24, 2021, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: July 24, 2019


Nancy Tyson, Executive Director
Health Facilities and Certificate of Need
Washington State Department of Health

This Certificate is not transferable

Certificate of Need #1795 Page Two
Conditions

1. Approval of the project description as stated above. Signature agrees that any change to the project as described in the project description is a new project requiring a new Certificate of Need.
2. Signature must obtain Department approval of its adopted Admission Policy before providing services at the hospital. The Admission Policy must ensure that patients will be admitted without regard to race, ethnicity, national origin, age, sexual orientation, pre-existing condition, physical or mental status or ability to pay.
3. Tacoma Behavioral Healthcare Hospital will maintain Medicare and Medicaid certification regardless of ownership.
4. Signature must obtain Department approval of its adopted Charity Care Policy before providing services at the hospital.
5. Signature must provide charity care, as defined in Chapter 70.170 RCW and reported in the Department's Charity Care in Washington Hospitals Annual Report, in an amount comparable with other hospitals in the Puget Sound Region as follows:
 - a. Within 180 days after the hospital's fiscal year end, Signature must annually calculate and report the percentage of its charity care by either gross revenue or adjusted revenue to the Department.
 - b. In any year that the hospital fails to meet or exceed the regional average of charity care provided by hospitals in the Puget Sound Region, Signature must calculate its Charity Care Deficiency using this formula:
Charity Care Deficiency = (("regional average charity care percentage" x "Signature total revenues") - actual charity care provided by Signature) x "charity care multiplier"
Where:
 - "charity care multiplier" is either 0.20 or Signature's actual annual net to gross revenue percentage, whichever is less,
 - "net to gross revenue percentage" means total cash collections divided by total gross revenue, and
 - "regional average charity care percentage" is equal to the regional total for charity care divided by the regional total revenues,
 - "total revenue" means total patient services revenue.
 - c. Signature must donate 100 percent of the monetary value of its Charity Care Deficiency to nonprofit or governmental organizations approved by the Department that provide behavioral healthcare services in Pierce County. The recipient organizations must not be affiliated in any manner with Signature.
6. When desired by the State, Signature will agree to contract with the State to provide care for Involuntary Treatment Act (ITA) patients. Signature must not reject an ITA referral unless the hospital has no beds available at the time of referral or the referral is clinically inappropriate.
7. Prior to providing services at the new hospital, Signature shall submit to the Department for review and approval a listing of key staff for the hospital. Key staff includes all credentialed or licensed management staff, including the director of nursing and medical director.
8. Prior to providing services at the new hospital, Signature shall submit to the Department for review and approval a final listing of ancillary and support vendors for the new hospital.
9. Prior to providing services Signature Healthcare Services, LLC dba Tacoma Behavioral Healthcare Hospital will provide a copy of the executed Medical Director's contract. The executed contract must be consistent with the draft provided in the application
10. Prior to providing services, will provide an executed copy of the Facility Lease and Security Agreement between Tacoma Life Properties, LLC and Tacoma Behavioral Healthcare Hospital for review and approval. The executed Facility Lease and Security Agreement must be consistent with the draft provided in the application.
11. Signature Healthcare Services, LLC dba Tacoma Behavioral Healthcare Hospital will finance the project as described in the application.